

Debt-Free United States Notes Were Once Issued Under JFK

1. The Economic Collapse

Monday, December 19, 2011

Most Americans have no idea that the U.S. government once issued debt-free money directly into circulation. America once thrived under a debt-free monetary system, and we can do it again. The truth is that the United States is a sovereign nation and it does not need to borrow money from anyone.

Back in the days of JFK, Federal Reserve Notes were not the only currency in circulation. Under JFK (at various other times), a limited number of debt-free United States Notes were issued by the U.S. Treasury and spent by the U.S. government without any new debt being created. In fact, each bill said “United States Note” right at the top. Unfortunately, United States Notes are not being issued today. If you stop right now and pull a dollar out of your wallet, what does it say right at the top? It says “Federal Reserve Note”. Normally, the way our current system works is that whenever more Federal Reserve Notes are created more debt is also created. This debt-based monetary system is systematically destroying the wealth of this nation. But it does not have to be this way. The truth is that the U.S. government still has the power under the U.S. Constitution to issue debt-free money, and we need to educate the American people about this.



Posted below are pictures of the front and the back of a United States Note printed in 1963 while JFK was president....

Notice that there is a red seal instead of a green seal on the front, and it says “United States Note” rather than “Federal Reserve Note”.

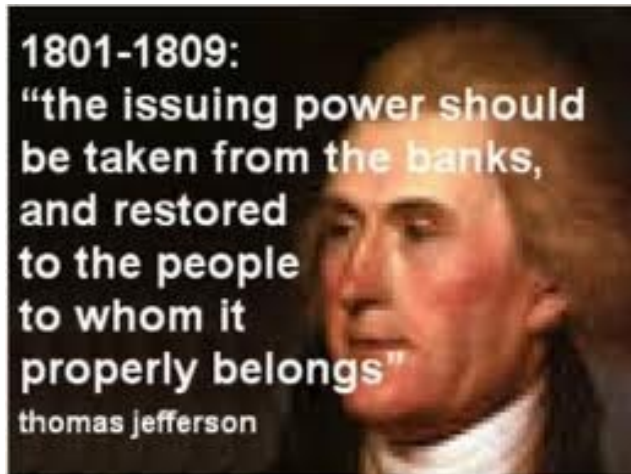
According [to Wikipedia](#), United States Notes were issued directly into circulation by the U.S. Treasury and they were first used during the Civil War....

They were originally issued directly into circulation by the U.S. Treasury to pay expenses incurred by the Union during the American Civil War. Over the next century, the



legislation governing these notes was modified many times and numerous versions have been issued by the Treasury.

So why are we using debt-based Federal Reserve Notes today instead of debt-free United States Notes?



It seems rather stupid, doesn't it?

Well, that is what Thomas Edison thought too.

Thomas Edison was once quoted [in the New York Times](#) as saying the following...

wish to add to the national wealth we are compelled to add to the national debt.

...t. He thinks it is stupid, and so do I, that for the loan of \$30,000,000 of their own money the people of the United States should be compelled to pay \$66,000,000

— that is what it amounts to, with interest. People who will not turn a shovelful of dirt nor contribute a pound of material will collect more money from the United States than will the people who supply the material and do the work. That is the terrible thing about interest. In all our great bond issues the interest is always greater than the principal. All of the great public works cost more than twice the actual cost, on that account. Under the present system of doing business we simply add 120 to 150 per cent, to the stated cost.

But here is the point: If our nation can issue a dollar bond, it can issue a dollar bill. The element that makes the bond good makes the bill good.

Our current debt-based monetary system was devised by greedy bankers that wanted to make huge profits by creating money out of thin air and lending it to the U.S. government at interest.

Sadly, the vast majority of the American people have no idea how money is actually created in this nation.

In a previous article about [money and debt](#), I explained how more government debt is created whenever the U.S. government puts more money into circulation...

When the government wants more money, the U.S. government swaps U.S. Treasury bonds for "Federal Reserve notes", thus creating more government debt. Usually the money isn't even printed up – most of the time it is just electronically credited to the government. The Federal Reserve creates these "Federal Reserve notes" out of thin air. These Federal Reserve notes are backed by nothing and have no intrinsic value of their own.

When each new Federal Reserve Note is created, the interest owed by the federal government on that new Federal Reserve Note is not also created at the same time.

So the amount of government debt that is created actually exceeds the amount of money that is created.

Isn't that a stupid system?

The U.S. Constitution says that the federal government is the one that should actually be issuing our money.

In particular, according to [Article I, Section 8 of the U.S. Constitution](#), it is the U.S. Congress that has been given the responsibility to “coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures”.



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So why is a private central banking cartel issuing our money?

As is the case with so many other issues, we desperately need to get back to the way the U.S. Constitution says that we should be doing things.

The debt-based Federal Reserve system is literally stealing the future from our children and our grandchildren.

Back in 1910, a couple years prior to the passage of the Federal Reserve Act, the national debt was only about [\\$2.6 billion](#).

A little over 100 years later, our national debt is now more than **5000 times** larger.

So why don't we just admit that this system simply does not work?

Our current debt-based monetary system also requires very high personal income taxes to pay for it.

In fact, it is no accident that the personal income tax was introduced at about the same time that the Federal Reserve system originally came into existence.



Our children, our grandchildren and many generations after that are facing a lifetime of debt slavery because of us.

As I have written about [previously](#), if the federal government began right at this moment to repay the U.S. national debt at a rate of one dollar per second, it would take [over 440,000 years](#) to pay off the national debt.

Neither the Republicans or the Democrats are proposing any solutions to this problem. Rather, both parties are only trying to slow down the rate at which we are going into even more debt.

But the truth is that the federal government does not have to go into a single penny of additional debt.

How could this be?

It is not too complicated.

If Congress took back the power over our currency and started issuing debt-free money a lot of our problems could be fixed.

A basic plan would look something like this....

#1) The U.S. Congress votes to take back all of the functions that it has delegated to the Federal Reserve and begins to issue debt-free United States Notes. These United States Notes would have the exact same value as existing Federal Reserve Notes, and over time all existing Federal Reserve Notes would be taken out of circulation.

#2) The U.S. Congress [nationalizes](#) all debt held by the Federal Reserve. That would instantly reduce the national debt by [1.6 trillion dollars](#). In fact, there are a few members of Congress that have already proposed this.

#3) A Constitutional amendment is passed limiting future U.S. government deficits to a reasonable percentage of GDP. Any future deficits would not be funded by borrowing. Rather, future deficits would be funded by newly created Federal Reserve Notes. Therefore, the federal government would never again accumulate another penny of debt.

And it would be important to inject new money into the economy from time to time. When

existing money is destroyed or when the population grows it is important to inject a certain amount of new money into the system in order to avoid deflation.



#4) The existing national debt would be very slowly paid off with newly created United States Notes. The U.S. government spent [over 454 billion dollars](#) on interest on the national debt during fiscal year 2011, and over time this expense would go to zero.

If the national debt is paid off slowly enough, it would not create too much inflation. I believe that it could be paid off gradually over 50 years without shocking the economy too much.

There are some that would object to any measure that would ever cause a small amount of inflation, but my contention is that we have created a \$15 trillion dollar debt mess for future generations, and it would be absolutely criminal to pass that legacy on to them.



We created this mess, and it is our responsibility to clean it up.

While there is certainly a danger that we would have a limited amount of inflation under a debt-free monetary system such as the one described above, the reality is that we are absolutely guaranteed inflation under the Federal Reserve system.

Most Americans believe that inflation is a fact of life, but the sad truth is that the United States has only had a major, ongoing problem with inflation [since the Federal Reserve was created](#) back in 1913.

If you do not believe this, just check out [this chart](#).

Sadly, the U.S. dollar has lost well over 95 percent of its value since the Federal Reserve was created.

So, yes, there would be a need for strict monetary discipline under a debt-free monetary system, but it would be hard to do worse than the Federal Reserve has already been doing.

And Congress could always slow down inflation using other methods. For example, raising the reserve requirements for banks (which should be done anyway) would help keep inflation in check.



GENERAL JACKSON SLAYING THE MANY HEADED MONSTER.

If the above proposals were adopted, the end result would be something that we could all live with. The Federal Reserve system would be abolished, the national debt burden on future generations would be wiped out, the economy would not have to go through a devastating economic collapse that could last a decade or longer, and we could eventually make a fairly smooth transition to “hard money” if we wanted to after the national debt is gone.

Is there any other proposal out there that does all of those things?

There are many out there that would dispute some of the points above, and debate is good. By engaging in debate, we can hopefully help educate the American people about the nature of money.

The key is to get rid of our current debt-based Federal Reserve Notes and replace them with debt-free United States Notes.

The American people need to understand that it is a lie that the U.S. government “must” borrow money from somebody else.

When the U.S. government borrows money, it slowly transfers wealth from the American people to those that borrowed it.

At this point, we have created a financial nightmare for future generations that is unlike anything the world has ever seen before. We owe it to future generations to eliminate the debt problem without destroying the United States economy. Adopting debt-free money would allow us to do that.

But sadly, neither political party is even talking about debt-free money. In fact, most of the politicians in both political parties probably do not even know what debt-free money is.

So we need to get the American people educated about these things. Because if we stay on the course that we are currently on, an economic collapse is inevitable.



The Money Masters

<http://www.youtube.com/watch?v=JXt1cayx0hs>

The Secret of Oz

<http://www.youtube.com/watch?v=swkq2E8mswI>

ZEITGEIST ADDENDUM

<http://www.youtube.com/watch?v=1gKX9TWRyfs>

FIAT EMPIRE: Why The Federal Reserve Violates The U.S. Constitution

<http://www.youtube.com/watch?v=8Xt5US8FUpw>

Blame Bush, Blame Obama, But Don't Look Behind The Curtain

by

[1. Bob Livingston](#)

December 19, 2011

Alan Greenspan, Ben Bernanke, Henry Paulson, Timothy Geithner, some (most) members of Congress and big banksters around the globe are breathing a sigh of relief today. A

[1. poll](#) shows most Americans are now blaming President Barack Obama for killing the economy.

For three years, Obama and a complicit media have done a good job of blaming Obama's predecessor, George W. Bush, for the dire state of the economy. After all, the meme goes, Bush spent money willy-nilly, cut taxes and got us into expensive wars. But Obama has spent more money and started more wars than Bush. So now there's a new scapegoat.

The aforementioned group of elites and their string-pullers are quite happy with the news because, as long as Americans remain in their stupor, nothing will change. Americans will blame this President or that, but they will never go to the root of the problem for a solution. And it's a problem that must be removed root and branch.

That's why they're working so hard to defeat Ron Paul. He knows where the problem lies, and he's said he's willing to remove it root and branch.



The problem is the Federal Reserve and its insidious inflationary policies. Not one person in a million understands this.

Some Americans call America a republic. After all, Benjamin Franklin responded to the question about the new government as he left the Constitutional Convention in 1787 by saying, "[It's] A Republic, if you can keep it." And

Article 4 Section 4 of the Constitution guarantees each State a Republican form of government.

But most people now call America a democracy. They are wrong, but not for the reasons you may think. They are wrong because America is fascism under the feel-good misnomer of democracy. It is simply Nazism with a pretty face.

The rule of law is gone. Our lawmakers make laws for us to live under while exempting themselves. They game the system. Many enter the Congress as paupers and leave rich. The rich get richer. How that happened was hidden for years by the corporate media.

Now, everyone knows what we have said for years: The President and Congress are owned lock, stock and barrel by Wall Street and the big corporations. They play for pay. And they stack the deck against the American people.

We know they (legally, though immorally) trade in the market on insider information. You and I would go to jail for this. Members of Congress apologize, feign contrition and say they will pass laws so they won't do it again. But there is no recompense, no repentance. The fox is guarding the henhouse.

But the light is shining on them now. The Internet has allowed the free flow of information to make this possible. No more can the corporate media hide the malfeasance of governance from us. So they are working on [laws](#) to kill the Internet, too.



Unfortunately, many people see but they still do not comprehend. Goldman Sachs rules the [world](#), but most people are clueless.

Paulson, Robert Rubin, Jon Corzine, Bank of Canada Governor Mark Carney, European Central Bank Governor Mario Draghi and Italian Prime Minister Mario Monti are just a few Goldman alums.

Where they go, money-printing follows. Congress bailed out Goldman Sachs and their bankster buddies to the tune of \$700 billion in TARP. Now we know Bernanke also handed out trillions of dollars more to banks in the United States and abroad without so much as a

“by your leave.”

The Federal Reserve is a criminal enterprise. Congress is an accessory and a criminal enterprise in its own right.

Is there a Presidential candidate saying this? One only.

Money-printing is a gangrenous rot on society. Fiat money steals wealth like gangrene steals life. It spreads throughout the system slowly, but surely.

It allows the government to play Santa Claus and spread wealth around to its criminal partners and create a growing dependent class of takers. It gives more and people take more until the system inevitably collapses. See Greece, Italy and Portugal for examples.

Meanwhile, the gang of thieves in government finds new ways to spend. It matters not which Party controls the purse strings. Then, government cries about the spending and tells the people they must sacrifice for the good of society. They imply that massive debt is the people's fault, and that the producers must produce more so government has more to take from them and spread around to their buddies and the “less fortunate” — a group that their policies helped to create and enable. The War on Poverty has been underway for almost 50 years. Is the end near? No, there is more poverty than ever.

Federal debt is a world-class delusion. There can be no debt when fiat money can be printed ad nauseam and to infinity. Ask yourself: If you had the power to print money as needed, would you have debt? Certainly not, no matter how much you wanted to buy. And neither does the Federal government.



The deluded fall into that trap every time. Right now, the debate in Congress is about how a payroll tax cut will be paid for. It's doublespeak, and the populace falls for it again.

Class warfare is ginned up over such nonsense as this. This creates the diversion the criminals need to continue their enterprise.

The government propaganda machine corporate media continue to say there is no inflation. Most people who are products of the government non-education system don't even know what inflation is, but they accept that there is none. They see prices rise, and the corporate media and criminals in government tell them prices are going up because all corporations are greedy monsters.



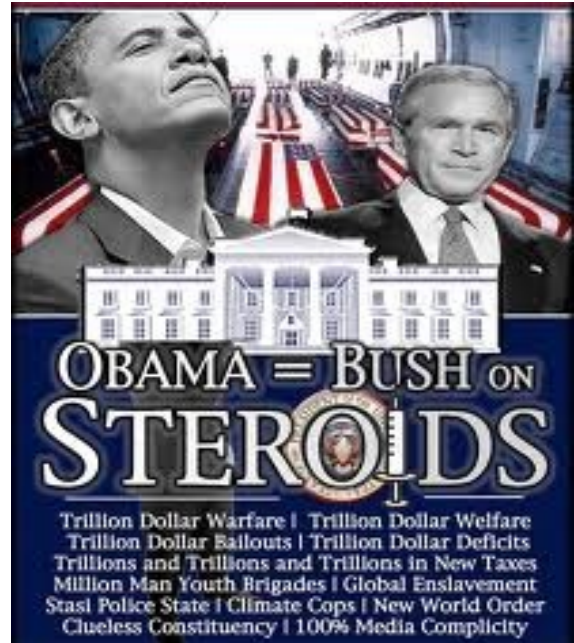
But inflation

is not the same thing as rising prices. Rising prices are symptomatic of inflation. Inflation is money-printing. It's an increase in the supply of money. It's a reduction in the value of those strips of paper that you carry in your wallet.

Inflation steals the wealth of the saver. It punishes those who are doing what the old-timers told us we should be doing: saving our money, paying as we go and staying out of debt. No matter where you hide your money, inflation steals it from you.

But the banksters benefit in many ways: They get to spend it first, before the economy is flooded with new, less valuable dollars; they use it to prop up the market, so they can play both sides against the middle; and they lend it to borrowers who can't pay it back and then steal the borrowers' collateral. The

Federal Reserve — which is neither Federal nor holds reserves — benefits because it lends to banks at rates below 1 percent and pays 2 percent or more to borrow it back. But it's not anything of substance. It's just digits on a computer screen.



Americans continue to seek a culprit, but they are looking in all the wrong places. They blame the pretty face and the daily orator.

Meanwhile, behind the curtain, the coffers of the banksters are filled to overflowing. And they say: "Give us more."

The Obama Deception

<http://www.youtube.com/watch?v=eAaQNACwaLw>

Fall of the Republic

<http://www.youtube.com/watch?v=VebOTc-7shU>